

## ECONOMIC DEVELOPMENT

### MISSION STATEMENT

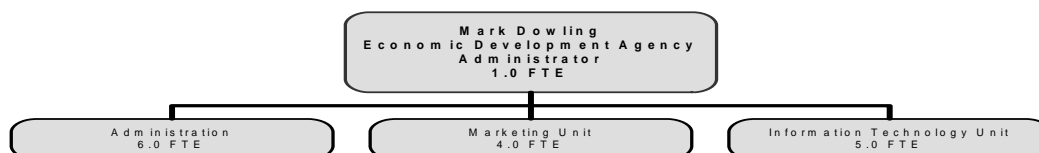
The Economic Development Department fosters sustainable economic growth, opportunities for job creation and revenue enhancement through comprehensive business expansion, attraction, and retention programs and services. The department will create strategic partnerships with public and private entities to enhance global competitiveness and entrepreneurial development.

### STRATEGIC GOALS

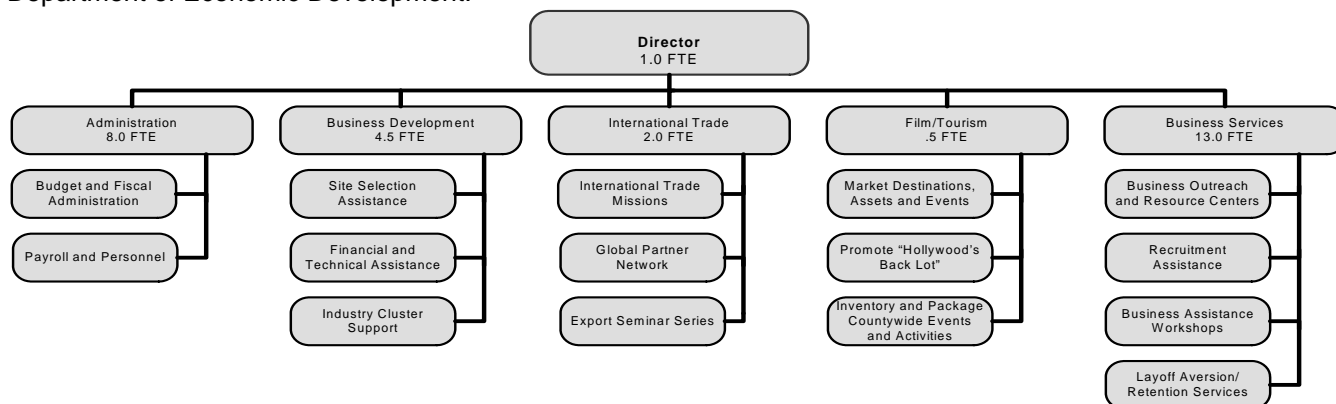
1. Foster job creation, increase private investment and enhance county revenues through the attraction and retention of business.
2. Establish an image of the county as a global and diverse business center in the United States by continuing to development overseas connections, infrastructure and understanding of global markets.
3. Enhance the County of San Bernardino's position as a tourist destination and promote the county as a viable location to make films through branding and marketing.

### ORGANIZATIONAL CHART

Economic Development Agency:



Department of Economic Development:



### SUMMARY OF BUDGET UNITS

	2008-09				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
<b>General Fund</b>					
Economic Development	7,318,898	580,000	6,738,898		45.0
Total General Fund	7,318,898	580,000	6,738,898		45.0
<b>Special Revenue Funds</b>					
San Bernardino Valley Enterprise Zone	392,911	101,891		291,020	-
Total Special Revenue Funds	392,911	101,891		291,020	-
<b>Total - All Funds</b>	7,711,809	681,891	6,738,898	291,020	45.0

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history, applicable performance measures and policy item requests.



## DESCRIPTION OF MAJOR SERVICES

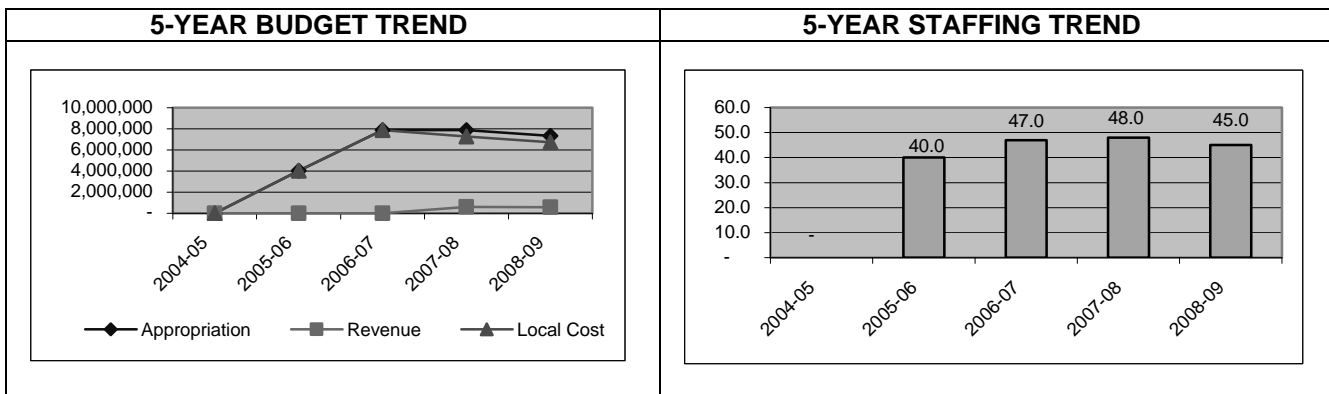
The Department of Economic Development's major goal is to foster job creation, increase private investment and enhance county revenues through the implementation of a countywide economic development strategy. The strategy focuses on maximizing the standard of living of the county's residents, providing economic opportunities for the county's businesses, fostering a competitive environment and positioning the county as a highly competitive region for business opportunities. The strategy will emphasize industry sectors with high-growth potential and offering high paying jobs.

The department spearheads initiatives with local, national and international impact by forming internal and external strategic partnerships with key public and private sector organizations including, but not limited to, the State of California, San Bernardino County cities, the County of Riverside, as well as non-profit development corporations, developers, brokers, site selectors, corporate real estate executives and tenant representatives. Outreach to private sector stakeholders is conducted via a comprehensive media/marketing campaign. Outreach to private sector stakeholders is conducted via a comprehensive media/marketing campaign.

The department also creates and develops necessary support structures to foster a positive, creative and expanding business climate by offering a wide array of economic development programs and services including the following:

- Site Selection Assistance
- Market Analysis and Demographics
- Permitting Assistance
- International Trade Services
- ED Loan Programs
- Enterprise Zone and Program Management
- Small Business Assistance and Technical Support
- Technical assistance and marketing support to county, cities and economic development stakeholders.

## BUDGET HISTORY



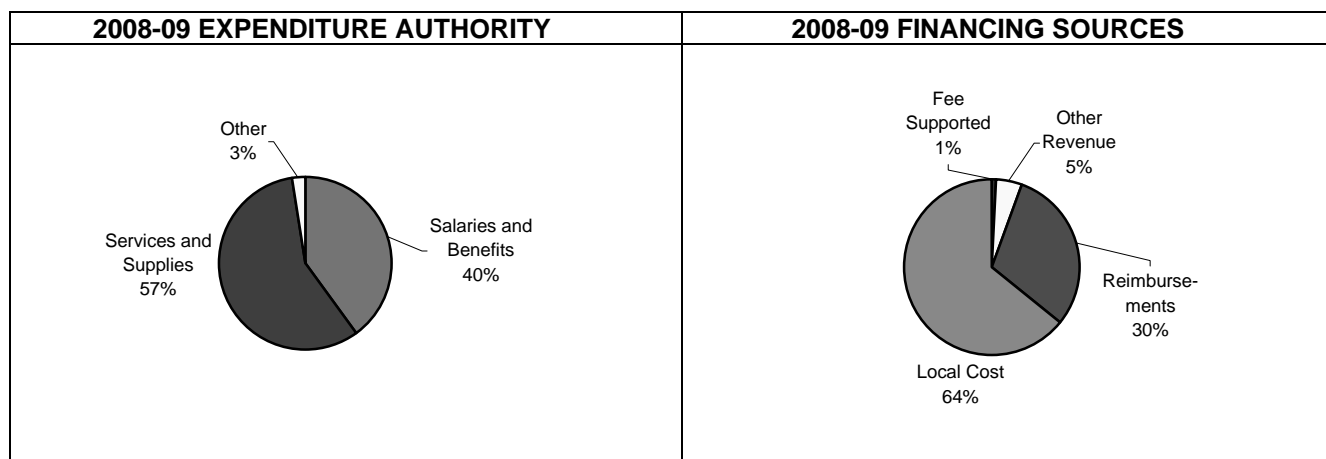
The Department of Economic Development was created as a result of the Board of Supervisor's (Board) approved formation of the Economic Development Agency on May 3, 2005 (Item No. 90). As part of the 2006-07 Budget, the Board approved the carry over of unexpended 2005-06 one-time funding totaling \$1,118,500. In addition, the Board approved approximately \$4.1 million in additional funding (2.0 million one-time funding and \$2.1 million ongoing funding) in order to support an enhanced economic development program. As part of the 2008-09 Budget, the Board approved the carry-over of unexpended 2007-08 one-time funding totaling \$327,141. The decrease in local cost in 2008-09 is related to the elimination of one-time funding.

## PERFORMANCE HISTORY

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Actual
Appropriation	-	3,112,150	7,084,529	8,356,652	7,584,183
Departmental Revenue	-	43,634	357,883	604,000	754,216
Local Cost	-	3,068,516	6,726,646	7,752,652	6,829,967
Budgeted Staffing				48.0	

Actual appropriation for 2007-08 is lower than modified budget due to salaries savings related to delays in hiring positions.

## ANALYSIS OF FINAL BUDGET



GROUP: Economic Development  
DEPARTMENT: Economic Development  
FUND: General

BUDGET UNIT: AAA EDF  
FUNCTION: Public Assistance  
ACTIVITY: Other Assistance

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Actual	2007-08 Final Budget	2008-09 Final Budget	Change From 2007-08 Final Budget
<b>Appropriation</b>							
Salaries and Benefits	-	2,172,363	3,107,617	3,303,854	4,316,484	4,205,135	(111,349)
Services and Supplies	-	2,267,354	6,018,225	6,657,720	6,964,637	5,732,323	(1,232,314)
Central Computer	-	2,342	24,961	46,981	46,981	48,694	1,713
Travel	-	-	-	-	-	228,600	228,600
Equipment	-	39,110	107,737	-	-	-	-
Transfers	-	143,961	226,483	430,552	257,317	264,929	7,612
Total Exp Authority	-	4,625,130	9,485,023	10,439,107	11,585,419	10,479,681	(1,105,738)
Reimbursements	-	(1,542,435)	(2,400,494)	(2,854,924)	(3,718,767)	(3,160,783)	557,984
Total Appropriation	-	3,082,695	7,084,529	7,584,183	7,866,652	7,318,898	(547,754)
Operating Transfers Out	-	29,455	-	-	-	-	-
Total Requirements	-	3,112,150	7,084,529	7,584,183	7,866,652	7,318,898	(547,754)
<b>Departmental Revenue</b>							
Current Services	-	-	49,549	83,333	50,000	75,000	25,000
Other Revenue	-	43,634	11,334	120,883	4,000	5,000	1,000
Total Revenue	-	43,634	60,883	204,216	54,000	80,000	26,000
Operating Transfers In	-	-	297,000	550,000	550,000	500,000	(50,000)
Total Financing Sources	-	43,634	357,883	754,216	604,000	580,000	(24,000)
Local Cost	-	3,068,516	6,726,646	6,829,967	7,262,652	6,738,898	(523,754)
Budgeted Staffing					48.0	45.0	(3.0)

Salaries and benefits of \$4,205,135 fund 45.0 budgeted positions and are decreasing by \$111,349. Budgeted positions decreased as a result of the deletion of 4.0 Employment Services Specialists positions due to the diminishing resources available from the State to the Workforce Development Department (WDD) for services the Department of Economic Development provides. In addition, the department requested the addition of 1.0 Economic Development Assistant Administrator to replace an existing contract position and four new (2.0 FTEs) part-time student interns.

Furthermore, the department also originally requested the reclassification of four positions: a Secretary I (range 35) to an Executive Secretary II (range 45); an Education Specialist (range 45) to an ECD Specialist I (range 59); Automated System Analyst I (range 53) to Business Systems Analyst I (range 57); and a ECD Specialist II (range 61) to an Economic Development Communications Officer (range 61) to correctly define the job descriptions for the duties of these positions. These reclassifications are anticipated to cost \$49,190.



However at the 2008-09 Budget Hearing, the Board of Supervisors (Board) directed the removal of new positions and reclassifications included in departmental budgets for 2008-09. Based on this action, appropriation reflects the reduction of \$115,342 and 2.0 in budgeted staffing. Associated reimbursements and general fund financing were also decreased by \$26,488 and \$88,854 respectively.

Services and supplies of \$5,732,323 include costs for sponsorships and real estate related trade shows, advertising, special events, public relations, international trade, film and tourism, and economic and real estate related studies. The decrease of \$1,232,314 is primarily due to the elimination of one-time funding of \$1,302,000 related to the Fourth District Special Economic Development Project, the First District Community Projects and the High Desert Business/Employment Resource Center. Advertising and sponsorships decreased by \$528,855 to primarily absorb the reduction in reimbursements due to administrative costs being overestimated in 2007-08. In addition, travel costs of \$228,600 were moved into a new appropriation unit. These decreases were partially offset by carry over funds of one-time funding in the amount of \$327,141 for both the Fourth District Special Economic Development Project as well as the High Desert Business/Employment Resource Center. In addition, during the 2008-08 Budget Hearing, the Board approved one-time funding of \$500,000 from the Department of Public Works for additional Fourth District Special Economic Development Projects.

Travel is a new appropriation unit for 2008-09. The amount budgeted of \$228,600 reflects anticipated travel costs in the areas of private mileage, air travel, hotel, car rental and conference fees for this budget unit. These costs were based on departmental analysis of past travel related expenses previously budgeted in the services and supplies appropriation unit.

Transfers of \$264,929 generally relate to rent charges paid to the Department of Workforce Development (WDD) for the department offices on 215 N. "D" Street and the West Valley Business Resource Center.

Reimbursements of \$3,160,783 represent payments from other departments primarily for business services provided by the department to WDD and administrative activities provided by the Economic Development Agency. Reimbursements decreased by \$557,984 due to the reduction in available funding for business services in the amount of \$266,156 and a decrease of \$291,828 for administrative costs.

Departmental revenue of \$580,000 reflects a decrease of \$24,000 from the previous year.

PERFORMANCE MEASURES				
Description of Performance Measure	2006-07 Actual	2007-08 Projected	2007-08 Actual	2008-09 Projected
Percentage increase of businesses served through referrals, seminars attendance, site selection assistance, and small business assistance (3,273 businesses).	N/A	New	8%	5%
Percentage of completed loan applications processed from submittal to close of escrow within 10 weeks.*	N/A	80%	N/A	N/A
Percentage increase of number of job opportunities identified through the assistance of the business retention division. The data is provided by WDD and TAD (24,103 jobs in 2006-07).	0%	5%	1%	5%
Percentage increase of leads/inquiries by businesses about locating in the county (205 in 2006-07).	N/A	20%	38%	30%
Percentage increase of on-the-job training contracts (17 in 2006-07).	N/A	40%	76%	5%
Percentage of global business partners established and actively engaged with the County of San Bernardino (20 in 2006-07).	N/A	New	130%	100%
Percentage of individuals that are provided with customized international training services (60 in 2006-07).	N/A	New	50%	16%
Number of business delegates participating in trade missions led by the department.	N/A	New	15	40
Percentage increase of editorials/articles (58 editorials/articles in 2006-07).	123%	25%	47%	25%
Percentage increase of television, radio, podcast and production coverage (9 broadcasts in 2006-07).	200%	25%	117%	25%
Percentage increase of conferences sponsored (15 conferences in 2006-07).**	275%	25%	-26%	6%
Percentage increase of website hits (amended).***	N/A	N/A	N/A	30%
Percentage increase of companies assisted (3,500 companies in 2006-07).****	N/A	5%	N/A	5%
Percentage that the High Desert Employment and Business Resource Center is operational.*****	N/A	100%	N/A	25%
Percentage increase of businesses served by the High Desert Employment and Business Resource Center.*****	N/A	30%	N/A	30%
Percentage increase in the creation of reports and maps to be used for business attraction and retention.*****	N/A	10%	N/A	N/A
Percentage increase of vouchers issued in the San Bernardino Valley Enterprise Zone (2,400 businesses within the SBVEZ).*****	N/A	N/A	2846%	25%

\* As of July 1, 2007, the loan program has been officially placed on hold to review, update and modify the program; therefore, there are no numbers to report. Once the program is modified and re-activated, a new baseline will be established.

\*\* The number of conferences sponsored decreased significantly but the number of conferences attended by the department has increased accordingly.

\*\*\* This measurement was revised to include all department website hits in an effort to better reflect overall marketing efforts. The department intended to buy a new software program to calculate reports for the website and to assist in establishing a baseline. However, this purchase was put on hold until the new website is completed.

\*\*\*\* The Department could not verify the previous baseline so it is unable to calculate the percentage increase. The new baseline for 2007-08 is 1,012 and will be used for any future reporting.

\*\*\*\*\*This policy consists of one-time funding and ongoing funds for the operation of the High Desert Employment and Business Resource Center. This program will not be fully implemented until 2008-09.

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\*\*\*\*\*On August 26, 2008, the Board of Supervisors approved a reorganization of the department in which this position was eliminated.

\*\*\*\*\*The number of vouchers issued increased from 15 in 2006-07 to 442 in 2007-08. This program was operational for 9 months in 2006-07. In 2007-08, the zone began its marketing campaign resulting in the large increase.

